Mr. Ramadas:—

With reference to Answer (11), will Government grant compensation to the raiyats who have sustained heavy losses?

Third Member of Council.—

Each case will be disposed of on its merits.

Budget Discussion.—*Contd.*

MR. C. P. BASAPPA SETTY observed that though a surplus of one lakh has been shown, the Budget cannot be really called a surplus budget. He expected the position to be much better off seeing that an extra income of 20½ lakhs has been taken credit for from the Subsidy and the Reserves. He remarked that large amounts had been invested on capital works which would bring no return in the immediate future.

In regard to the provision for the Malnad Improvement Scheme, he found that a major part of it would be utilised for the establishment and travelling allowance charges leaving a sum of Rs. 66,000 for real improvement works. He enquired how much was set apart for providing more dispensaries and sanitary improvements and how much for the distribution of quinine.

THE THIRD MEMBER OF COUNCIL drew the attention of the member to the grants provided on Pages 52 and 83 of the Budget for opening dispensaries and for rural re-construction work.

MR. BASAPPA SETTY said that the provision was hardly sufficient and should be increased to Rs. 2 lakhs.

Referring to Village Improvement Works, Mr. Basappa Setty said that he himself was in charge of a Village Panchayet consisting of 8 or 10 villages with a meagre income of Rs. 200 per annum. If, according to the new Rules, they had to meet one-third of the cost of sinking a well, they would be required to spend their entire income on this one item alone. If, on the other hand, the Government allowed at least Rs. 200 to each panchayet, some work was possible.

THE THIRD MEMBER OF COUNCIL pointed out that the Village Panchayets should take up the works one after another. Government were glad that the desire for improvement had been instilled in the rural population as a result of the organisation of the Village Panchayets.

Referring to Primary Education, MR. BASAPPA SETTY regretted the reduction of nearly 2 lakhs in the grant, and enquired how there could be any improvement in the rural parts, if existing schools are not properly equipped and more schools are not started.

THE THIRD MEMBER OF COUNCIL drew the attention of the member to the lumpsum grant of Rs. 4,13,500 provided under Miscellaneous, a major portion of which was meant for the equipment and conversion of Primary Schools.

In reply to Mr. Basappa Setty, The Third Member also said that the number of Primary Schools to be opened in the coming year would depend upon the cess collection in each district, and that it was not possible to give details about the schools to be opened until a definite programme was drawn up later.

Referring to the Irwin Canal scheme, MR. BASAPPA SETTY objected to the Government spending crores of rupees on a single project which benefited only a part of the State and which had been severely criticized in the public press and emphasised the need to pay adequate attention to the improvement of minor tanks all over the State so that the raiyats in every nook and corner might be profited. He urged that the grant for that work be reduced and the same allotted for restoration of tanks.

THE THIRD MEMBER OF COUNCIL replied that that was not the intention of Government but they wanted to complete this big project as early as possible. As regards the misconception in a section of the public mind, he observed that it was not properly informed.

MR. BASAPPA SETTY also criticised the increase of the superior staff in the Forest Department recently sanctioned by Government and said that the appointments of the District Economic Superintendents were a superfluity, as the work now done by these officers could very well be entrusted to Sheikdars and Amildars. He also remarked that the Director of Public Instruction had too many gazetted Assistants and wanted the same to be retrenched.

MR. BELUR SRINIVASA IYENGAR in reviewing the figures under the three heads, Budget, Revised and Accounts of 1926-27, called the present Budget a deficit one and drew the attention of the House to the remarks made by him in the 1926 Birthday Session (*vide* Page 151 of the Representative Assembly Proceedings, June 1926).

Referring to the era of deficits, Mr. Srinivasa Iyengar said that the first large deficit was during the first year of

Sir M. Kantaraj Urs's regime. It was then that a big loan was floated. Sir Albion Banerji who followed Sir M. Kantaraj Urs employed various expedients to reduce these ever-recurring deficits and to restore the State's finances to an equilibrium. In his Budget Speech of 1922 he laid down certain definite principles of financial administration. He also appointed a Finance Committee to go into the question of retrenchments and in passing orders on their report, a certain financial policy was adopted. The result of this policy was that while the Reserves were replenished annually, the State's expenditure was very much reduced obviating the necessity at the same time to have recourse to any large slice of Reserves to meet everyday expenditure of the administration. But the latter administration did not follow even that policy with the result that Reserves were being drawn upon year by year to the extent of wiping most of the Reserves. The most important thing to be borne in a sound financial policy was that the normal expenditure of the State should be met from the normal revenue. This, Mr. Srinivasa Iyengar said had been altogether lost sight of. The Budget was framed largely on the anticipations of realising uncertain revenues with the result that the Budget anticipations were not always realised.

Referring to the income from the Railways, Mr. Srinivasa Iyengar said that the principle of including the income from Railways in the normal revenues was bad and that it should not be done. He predicted that if such a system were followed hereafter, there would year by year be deficit budgets alone. He recommended the system followed in British India of keeping the Railway receipts separate from the normal revenues.

In regard to the Budget itself, he said, that although it looked quite good, no attempt had been made to prescribe any proportion of expenditure to income. The large provision of 36 lakhs for the Irwin Canal, he said, was not called for in the present state of Mysore finances. He thought that all that money had to be spent out of borrowed capital on which interest charges had to be paid from the normal revenues. He did not think that Bhadravati Works could be stopped at that stage. It would be very difficult for the State to maintain the Bhadravati Works as well as to go on with the Irwin Project. His own opinion was that the State should take up projects one by one and in the first instance, the Iron Works having been already undertaken and enormous money spent on them, they should be

proceeded with in the first instance before taking up other large works. Even as regards the capital expenditure on the Irwin Canal works, he thought that provision should be made from the earnings from Railways and not from the ordinary revenues.

MR. B. SRINIVASIENGAR of Anekal began by saying that though a substantial provision had been made under Agriculture, much of it was taken away by the Mycological section, investigation of Koleroga, and coffee experimental station. The result was that there was not enough left for any investigation work in the maidan districts. The equipment for the Engineering section was also very inadequate and there was no systematic demonstration of ploughs, which directly concerned the raiyats. They were anxious to have a proper supply of ploughs but at present they depended mostly either on America or on the Kolar Mission for it. During the current year no supply was made by the Kolar Mission. The American ploughs were too costly for the average raiyat. Some arrangement was therefore necessary to supply modern implements which were much in demand. The member also suggested that adequate arrangements should be made for strengthening the staff and holding demonstrations on a larger scale.

Little attention was being paid to the improvement of the breed of indigenous cattle. Even if this was taken on hand immediately, it was expected to take one or two generations for the breed to improve and it was therefore necessary that this work was taken up at once.

There was practically no arrangement to give technical advice to the people in regard to fruit culture and on account of this, horticulture did not make any progress. There was good scope for it within a radius of 30 miles from Bangalore, specially in view of motor bus facilities, and so he suggested that some classes should be opened at least in the Bangalore District, to give training in fruit culture.

As regards the provision for rural reconstruction he said that a good part of it was consumed on account of the well-boring establishment, only the balance being available for rural improvements proper. Well-boring itself was not sufficiently popular and, apart from its costliness, grave doubts were entertained in many quarters about the success of the experiment. With a view to popularize it, he suggested that the hire of the plant should be considerably reduced. He also added that water pumps were needed in the villages more than well-boring work, and it was necessary to employ

a properly qualified staff to popularise water pumps, side by side with well-boring

In regard to Primary Education he said that substantial provision for buildings was urgently called for. Many a District Board was meeting this demand from out of the cess collections, and unless liberal grants also came from the Government, it was feared that in many cases the entire cess funds would soon be used up for equipment.

MR B. L. BYANNA expressed himself in favour of Reserve funds being drawn upon for providing additional irrigational facilities. As regards the Budget provisions themselves, he said that a half of the allotment under drinking water wells was taken away by the well-boring section and the balance was inadequate for sinking wells in all the villages. Better provision was also necessary under tank restoration. A half of the grant for primary education was similarly taken up by the towns and cities, the remaining half being insufficient for meeting the demands of so many villages. He was of opinion that Government should take up a wholesale improvement of all the villages, by supplying the following needs each year under a definite programme of work at the cost mentioned against each:—

	Rs.
Drinking water wells	500
Tank restoration	2,000
Primary school (with a reading room attached) ..	500
Dispensary	2,000
Other items	5,000

By undertaking such a programme and distributing the cost over a period of 25 years, he estimated that a sum of about Rs. 10 crores would be required. As one-fourth of this amount would ordinarily be provided at the rate it was done at present, he estimated that a provision of Rs. 7½ crores would be required during the next 25 years. This could be done, first, by ear-marking for the purpose an amount equal to the reduction obtained in the Subsidy, and secondly, by effecting all the retrenchments recommended by the Committee that was appointed in this behalf. In his own opinion, the administration was top-heavy and it ought to be possible to reduce expenditure, specially under Revenue, Forest, Civil Works and some other heads. He also pleaded for the abolition of the appointments that had been recently made, such as those of the Director of Horticulture, the Third Member of Council, and the Fourth Judge of the Chief Court.

MR. N. G. SANJEEVIAH regretted that in spite of the reduction of Subsidy and anticipated extra revenue realizations, about 10 lakhs of rupees should have been proposed to be drawn from the Reserves. He contended that to the extent of the total of these amounts the draft Budget should be considered as deficit, even though the Government wanted to call it a surplus budget. The position was all the more regrettable, he said, because large sums were budgetted for schemes of doubtful success, to the detriment of urgent popular demands like elementary education, village improvement, etc. But the most regrettable feature of the situation in his opinion was that, in utter disregard of public opinion, the Government should pursue their own excise policy and go on budgetting for increased revenue under this head. The Model State of Mysore, he said, ought not to hesitate to stamp out the drink evil.

As regards the additional provision made for University Education he observed that more urgent demand was in respect of Primary Education, which was the foundation of education. The raiyats were clamouring in this behalf for years together but it was all a cry in the wilderness. Two definite promises of the Government were deliberately not fulfilled, *viz.*, that cess funds would be supplemented by grants for being spent entirely on Primary Education, and that the revenue from Income-Tax would also be earmarked for the purpose.

He then repeated the statements of some other members that the well-boring experiment was not considered to have succeeded so far and that the provision made therefor could be better utilized for sinking drinking water wells in the villages.

With references to this, THE DIRECTOR OF INDUSTRIES AND COMMERCE made a statement to the effect that it was incorrect to say that the experiment had not succeeded. It was true that in some cases well-boring was not a success but in many others, water was tapped where the old methods of sinking wells had failed. Otherwise, well-boring would not have been so popular in the Bombay Presidency and elsewhere.

MR. B. LINGE GOWDA thereupon said that any provision made for well-boring operations might be outside the allotment for rural reconstruction or village improvements.

Continuing, MR. SANJEEVIAH observed that even though a surplus budget had been presented during the current year, the additional and supplementary grants that

were sanctioned amounted to over 16 lakhs of rupees. The State's financial position as a whole called for a thorough investigation, and the member therefore urged the appointment of a Committee to go into the question of the desirability of supporting any longer the several costly schemes undertaken by the Government, chief of which being the Bhadravati Iron Works. He suggested also that in selecting the personnel of such a Committee, Government should take proper care to appoint persons who were technically qualified and who could understand the real state of affairs. Similarly, the top-heaviness of the administration was also a matter for urgent investigation. It was necessary that every possible retrenchment was effected, in regard both to the number of high appointments and their salaries. This would, he said, render possible an efficient discharge of governmental business, without at the same time having to further tax the already over-burdened raiyat.

MR. P. SITHARAMIAH observed that it was not good policy to draw upon the Reserves to meet current demands, just to show a balanced budget. This really meant that the budget was not really a surplus one. There was, of course, a school of thought that, specially in the twentieth century, there was a fundamental difference between private individuals and a State in that, whereas in the one case expenditure had to be adjusted to the income, in the latter this was not always possible. To this he replied that even though there was some force in an argument like this, it was at the same time the duty of a State to tap fresh sources of revenue according to the increased demands to be met, and it was thus not correct to draw upon the accumulated surpluses of past years in order to meet current expenditure, as was proposed in the Budget Estimates under reference. In the second place, the member said, there ought not to be a very great divergence between the estimates and the actuals of a particular year: and the current year's budget did not satisfy this condition. He therefore thought that the financial position was not very satisfactory.

As regards the anticipated revenues he was not sure how far these could be realized; during the current year, the receipts had exceeded the original anticipations and yet the expenditure had gone up much higher than the actual receipts: and the provisional budget provided for an expenditure of Rs. 6 lakhs more than these receipts and this was not a very sound policy.

In any State organization, it was usual for the Govern-

ment to say that all their existing establishments and their scales of pay were essential for carrying on the administration efficiently, and it was similarly natural for the subjects to complain that the level of expenditure incurred by the Government was too high and that the facilities afforded to them required to be improved without at the same time increasing the incidence of taxation. Whenever such issues were raised in Mysore, it was usual for the Government to compare the incidence of taxation here with that in Europe or America. This was not fair, as there was a great difference between the average earning capacity of the people in the two cases. He therefore suggested that in such cases a comparison might well be drawn with Japan.

The member also suggested that in view of the present financial position of the State, all officers of Government drawing a salary of Rs. 200 and over should show some self-sacrifice by consenting to a reduction of their salaries by 25 per cent and hoped that the Members of the Government would set an example by effecting a reduction in their own salaries.

MR. B. LINGE GOWDA congratulated the Government on the prosperous Budget placed before the Assembly. But, while the urgent needs of villages had been properly gauged and sought to be provided for, no attention had been paid to the proper maintenance of roads. He pressed for a suitable grant for this as well as village sanitation. He also pressed for the entire grant now made for the well-boring establishment being added on to that made for digging drinking water wells, a separate grant being made for well-boring, if necessary.

In regard to Education, Mr. Linge Gowda said that the policy of allowing lapses to occur in the education budget was not justifiable. On the other hand, he was of opinion that primary and middle school education should receive better consideration and the grant therefor should be materially enhanced even at the risk of University education being starved.

He did not think that the additional grant of Rs. 6,000 for opening new dispensaries was adequate. He observed that the provision for all the rural dispensaries together was only as much as that given to the Mysore Hospital and said that it was too inadequate.

The allotment made for the improvement of the two cities of Mysore and Bangalore, amounted to $2\frac{3}{4}$ lakhs, while the allotment for the rural reconstruction throughout

the whole State was only 2½ lakhs of rupees. This disparity, he thought, ought not to be allowed and the villages should receive greater attention than at present.

Coming to the Agricultural Department, he observed that the additional grant of Rs. 90,000 allotted in the Budget for the current year was very satisfactory. He was of opinion that that amount should be set apart for supplying the raiyats at cost price with seeds, implements and manure. He was also of opinion that the Fieldmen and Agricultural Inspectors should be made to tour in the villages more and more and to demonstrate agricultural operations. He brought to the notice of Government that it would be better if the two Inspectors attached to the Babbur Farm were included in the establishment of the Farm in order to enable one to correctly gauge the cost incurred on account of the Farm.

MR. B. S. RANOJI RAO thought that it was the bounden duty of Government to see that all subjects of the State received the benefits of education. He also thought that when the Government were levying taxes from the poor raiyats, it was not proper on their part to concentrate all the expenditure on one grade of education, *viz.*, University education, which would not help the poor raiyats to any extent. At present, education was so backward that voters had to resort to the use of symbols at the time of polling. He, therefore, thought that the provision made in the Budget for Primary Education should be materially enhanced. A number of minor communities, he said, were grouped together for the distribution of scholarships with the result that the scholarships did not reach many of them. He also said that in some cases, grants were concentrated in one place. He urged that the practice should be put a stop to and an equitable distribution among all the minor communities should be made. In this connection, he requested the Government to provide for the education and amelioration of Lambanies and segregated Criminal Tribes.

MR. H. C. DASAPPA said that some members remarked that there was no continuity of policy in the State. He was of opinion that whatever policy was laid down that must suit the changing times, and that there was no use following one policy to suit all conditions.

With regard to the objection taken to the additional grant made to the University, Mr. Dasappa explained that that grant was required for the new Intermediate classes, and that could not under any circumstances be reduced. Against

this additional grant, there was a corresponding reduction in the Education Budget to the extent of Rs. 85,000 made for Entrance classes and fee income therein from the boys. There was yet one lakh of rupees more to be accounted for, which probably was required for better equipment.

THE THIRD MEMBER OF COUNCIL said that that was required for providing for the increased strength of the Intermediate classes.

MR. DASAPPA next referred to the Primary Education. He did not know exactly when the Elementary Education Regulation would be introduced in the State. But, whether the Government were to draw upon the Reserves or not, unless Primary Education was made compulsory, the State could not hope to develop.

THE DEWAN observed that Government were not able to provide accommodation and the staff for the schools and unless these were provided for, it was not possible to introduce Compulsory Education in all places.

Referring to the question of school buildings, MR. DASAPPA observed that if the department had not insisted upon particular kinds of buildings, schools would have been put up in every village long ago.

In regard to the Department of Industries and Commerce, Mr. Dasappa was of opinion that the experimental industrial concerns of Government served their purpose and it was no longer necessary to continue them at a continual loss. So far as the Weaving Factory was concerned, it had done its work long ago. Looms had been introduced in several places, and improved system of weaving had been taught to a large number of people. In these circumstances, he thought, that there was no reason why it should continue as a demonstration factory. Even in regard to the Soap Factory, he thought, it might with advantage be handed over to private agency.

Next speaking about Exhibitions, Mr. Dasappa observed that while the Village Panchayets in the State received a grant of only Rs. 50,000, the Exhibition at Mysore alone got as much as Rs. 30,000. This, he thought, was invidious and the former should receive a very much more substantial grant.

Regarding the extension of Railways, Mr. Dasappa said that he did not know what progress had been made with the Satyamangalam Railway and that suitable provision should be made therefor.

So far as the Agricultural Department was concerned,

Mr. Dasappa was of opinion that there was no use of Experimental Farms and that they should give place to more Demonstration Farms. Every villager could not be expected to go from place to place and watch all the latest improvements made in Government Agricultural Farms with equal facility, as when demonstrations were carried on in their own fields by the Agricultural Department staff.

Referring to the argument that more money should be spent on the Bhadravati Works, and that the Irwin Canal need not be proceeded with to the extent that it had been proposed to be, Mr. Dasappa said that making of profits in the Bhadravati Works was somewhat remote, but the Irwin Canal would, on the other hand, materially help the raiyats in addition to bringing substantial revenue to Government.

He was also of opinion that a Development Officer for developing the Village Panchayets should soon be appointed without which very little work could be expected from them.

He was also of opinion that the adventitious revenue of the State should be kept separate and funded, without being utilised for the current expenditure of the State.

KHAN BAHADUR MAHOMED ABBAS KHAN defended the policy of Government in drawing upon the Reserves, when there was urgent need therefor for the benefit of the people and showed by referring to published accounts how the practice of drawing upon the Reserves was very old and not started for the first time by the present Government. He observed that on one side, members were clamouring for more grants, and on the other, they objected to utilising any amount from the Reserves. This, in his opinion, was not justified. He was of opinion that all taxes and income derived in the present generation should be utilised for their own development and not hoarded for the use of the future generations. In this view, he thought that what Government did in regard to Reserves was quite in order and proper. He also said that if the Development Departments of Government such as Education, Irrigation, etc., required the expenditure of more funds, there should be no hesitation in resorting to Reserves.

Referring to the additional income derived by the Excise Department, Khan Bahadur Mahomed Abbas Khan thought that that income should be applied to the Development Works.

MR. ANJANEYA SETTY thought that the additional income derived by Government was due largely to the extra taxation levied on the people in the shape of Tolls, etc. In

his opinion, there should be no necessity to tax people in this way, but that any additional amount required should be provided from the savings derived by retrenchments of superfluous officers and reducing the pay of highly paid officers. He urged that a Retrenchment Committee should soon be appointed by Government to examine the expenditure of the State and suggest remedies for retrenching expenditure. In any case, he thought that the pay of the subordinate officials should be increased, while the pay of higher officers proportionately reduced.

He was of opinion that the octroi at present levied on the people was a great hardship and should be abolished. He also said that the Income-Tax Department was very unreasonable in assessing the income, as they did not accept the statements of merchants in regard to the cost of establishments maintained by them. He urged that better facilities should be given to the people in this direction.

Referring to the large additional grants for which the Government came up to the Legislative Council during the year MR. H. B. GUNDAPPA GOWDA said that no explanation had been given as to how that grant was made up in the current year's budget.

He also did not think that the Budget placed before the Assembly was a surplus budget. His reasons were that reduction of Subsidy to the extent of 10½ lakhs was rather unexpected and should have been excluded from calculation. If this were done, the Budget would have certainly been a deficit budget.

He did not favour the additional income received from the Excise Department. He said that a Committee should forthwith be appointed to suggest measures to bring about prohibition. He suggested that Bagani trees should be cut down wholesale and the plot so released should be made available for growing cocoanut trees, which would bring in a highly greater revenue to Government than from the Excise Department.

Referring to Khan Bahadur Mahomed Abbas Khan's argument that no part of the income of the present generation should be hoarded for future generations, Mr. Gundappa Gowda said that although the principle was good, yet he failed to see what right had the present generation to utilise the Reserves which were hoarded by previous generations. He thought that the utilisation of the Reserves for the Irwin Canal, which was located in one place, and which would benefit only a very small part of the State was not right, as it did not benefit the State as a whole.

Referring to the resolution of the Assembly last year that all officers drawing a pay of Rs. 200 and above should be asked to forego 25 per cent of their pay, Mr. Gundappa Gowda said that not only no action was taken by Government, but that more officers had been appointed and the pay of many others raised.

He did not think that the Railway Administration in Mysore was quite efficient. He referred in this connection to a recent accident at Harenahally and said that a relieving train did not come for more than 12 hours after the accident in spite of the fact that urgent telegrams were sent to the Railway Agent. If there had been bus traffic on that line, the hardships of the people could have been materially minimised.

With reference to the Dewan's speech wherein he stated how the villages should be improved, Mr. Gundappa Gowda said that it was only the ideal that was placed before the Representative Assembly, as no attempt had been made in the Budget for ameliorating the condition of the villages at all.

He also said that the grant for Village Panchayets was about 1½ lakhs of which nearly one lakh went to the staff, leaving only half a lakh for village improvements. This, he thought, was very little and unless it was substantially increased by reducing the grants for towns and cities, very little work could be expected from the Village Panchayets.

He also pleaded for the extension of Elementary Education in the villages.

The Assembly adjourned to meet again on Tuesday the 5th June 1928.